

**PUBLIC HEARING**  
**ON**  
**BILL 18 – 824 “Condominium Combined Real Property Tax and**  
**Vault Rent Billing Act of 2010”**

**Before the**  
**Committee on Public Services and Consumer Affairs**  
**Council of the District of Columbia**

**The Honorable Muriel Bowser, Chairman**

**November 29, 2009, 11:00 AM**

**John A. Wilson Building, Room 412**



**Testimony of Robert McKeon**

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**Government of the District of Columbia**

Good morning, Chairman Bowser and members of the Committee on Public Services and Consumer Affairs. I am Robert McKeon, Deputy Chief Counsel for the Office of Tax and Revenue. I am pleased to present testimony on Bill 18 – 824, the “Condominium Combined Real Property Tax and Vault Rent Billing Act of 2010.”

This Bill provides that abutting condominium units under identical ownership can be combined solely for assessment and taxation purposes into a single tax lot. Such combination will permit the assessment tax cap to extend to the abutting lot, and unified assessment notices and tax bills will issue for the newly created tax lot. The assessment tax cap is tied to the homestead deduction, and therefore it can only apply to the single lot receiving the actual homestead deduction. Under this Bill, the single lot receiving the homestead deduction (and therefore the assessment tax cap) would be the newly combined tax lot.

Presently, to combine condominium units the condominium’s plats, plans and declaration must be amended, and a super majority of the members of the condominium units’ association must vote affirmatively for the combination. This can be a costly and uncertain process. The creation of assessment and taxation lots under this Bill would not affect the lots of record with the DC Surveyor, but would

only serve for tax assessment and billing purposes. Additionally, since the creation of assessment and taxation lots for land lots is free of charge to the taxpayer, the creation of assessment and taxation lots for condominium units under this Bill would similarly be cost-free.

This Bill also provides that condominiums with vaults subject to rental payments shall receive unified vault rental bills from the Office of Tax and Revenue. Under the provisions of the Bill, the vault rental bill would be payable entirely by the condominium units' association, in lieu of billing a condominium unit or allocating between all condominium units. Since the abutting land value is a factor in determining the vault rent, the condominium units' association may appeal such land value by submitting a claim for refund.

#### **Fiscal Impact of Bill 18-824**

The Office of Revenue Analysis is currently working on the fiscal impact estimate for the proposed Bill.

Thank you, Chairman Bowser, for the opportunity to comment on this Bill. I would be happy to answer any questions you or other Councilmembers might have at this time.